

Message Text

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SUBJECT: MARCOS ON ECONOMIC SUBJECTS IN PRESS INTERVIEW

1. SUMMARY. TIMES JOURNAL CARRIED LENGTHY INTERVIEW JUNE 22 WITH PRIME MINISTER MARCOS, THE FIRST THREE QUESTIONS OF WHICH DEALT WITH ECONOMIC POLICIES, US/RP ECONOMIC NEGOTIATIONS, AND RP/JAPAN ECONOMIC TREATY. THESE AND FIFTH QUESTION ARE REPEATED BELOW. BUSINESS DAY REPORTED JUNE 21 ANOTHER BUT BRIEFER INTERVIEW WHICH CONCLUDED WITH CLARIFICATION FROM FINANCE MINISTER VIRATA THAT THE UNITED STATES TERMED ITS INVESTMENT PROPOSAL "NON-DISCRIMINATORY TREATMENT OF INVESTMENT" AND THAT TRADE NEGOTIATIONS ARE GOING ON IN MTN IN GENEVA. END SUMMARY.

2. FOLLOWING IS TEXT OF FIRST THREE QUESTIONS AND ANSWERS OF TIMES JOURNAL INTERVIEW: BEGIN QUOTE:
TIMES JOURNAL: DO YOU FORESEE ANY CHANGE IN YOUR ECONOMIC POLICIES AFTER THE CONVENING OF THE INTERIM BATASANG PAMBANSA?

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PRESIDENT MARCOS: THE GENERAL DIRECTIONS OF THE ECONOMY ARE WELL LAID OUT IN PLANS AND PROGRAMS FORMULATED BEFORE THE CONVENING OF THE ASSEMBLY. THE BATASAN SHOULD BY ITS VERY NATURE EXERT ITS OWN USEFUL AND POWERFUL INFLUENCES UPON THESE PLANS AND PROGRAMS---AND I HAVE NO DOUBT THAT OUR EMPHASES AND PRIORITIES WILL BE MAINTAINED.

TJ: IS THE INABILITY TO AGREE ON A NEW ECONOMIC TREATY

WITH THE UNITED STATES AFTER THE EXPIRATION OF THE LAUREL-LANGLEY AGREEMENT IN 1975 AN INDICATION OF THE EXISTENCE OF DIFFICULTIES IN RP-US TRADE RELATIONS? CAN THE PHILIPPINES DO WITHOUT SUCH A TREATY?

FM: THERE ARE PROBLEMS IN RP-US TRADE RELATIONS THAT HAVE FORESTALLED THE EARLY SIGNING OF A NEW ECONOMIC TREATY BETWEEN OUR TWO COUNTRIES. AND THEY RELATE MAINLY TO CERTAIN DIFFICULTIES IN ECONOMIC OUTLOOK, PRIORITIES AND POLICIES, DIFFERENCES WHICH I MIGHT ADD OBTAIN IN THE DIVERGENT PERSPECTIVES TODAY OF THE DEVELOPING AND THE DEVELOPED COUNTRIES.

- THESE MATTERS CANNOT BE RESOLVED OVERNIGHT, AND IT IS THEREFORE THE TASK OF NEGOTIATIONS, CURRENTLY BEING UNDERTAKEN BY REPRESENTATIVES OF BOTH COUNTRIES, TO RESOLVE THEM. I CAN REPORT, HOWEVER, THAT PROGRESS IS BEING MADE IN THIS REGARD. . . .

- AS TO WHETHER THE PHILIPPINES CAN DO WITHOUT SUCH A TREATY, CERTAINLY WE CAN. IT MAKES THE TASK OF MANAGING OUR BILATERAL TRADE RELATIONS MORE DIFFICULT, BUT THERE IS NO QUESTION THAT WE WILL BOTH MANAGE TO MAINTAIN BENEFICIAL RELATIONS EVEN IN THE ABSENCE OF A NEW TREATY. AFTER ALL, OUR ECONOMIC RELATIONSHIP HAS CONTINUED EVEN WITH THE EXPIRATION OF THE LAUREL-LANGLEY AGREEMENT, AND NEITHER GOVERNMENT IS TALKING NOW OF ENDING THIS RELATIONSHIP SIMPLY BECAUSE NO NEW TREATY HAS BEEN SIGNED.

TJ: WHAT IS DELAYING THE REVISION OF THE TREATY OF FRIEND-UNCLASSIFIED

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SHIP, COMMERCE AND NAVIGATION WITH JAPAN?

FM: THERE ARE ESSENTIAL CHANGES WHICH THE PHILIPPINES SEEKS IN THE PRESENT TREATY, AND THERE ARE ITEMS WHICH JAPAN ON THE OTHER HAND SEEKS TO UPHOLD, IN HER INTEREST. THESE MATTERS HAVE TO BE NEGOTIATED BEFORE REVISIONS ACCEPTABLE TO BOTH PARTIES CAN BE MADE, AND THIS IS WHY REPRESENTATIVES OF OUR TWO GOVERNMENTS HAVE TO MEET TO THRESH THESE OUT.

- BUT THERE IS DEFINITE AGREEMENT ALREADY BETWEEN THE TWO GOVERNMENTS TO REVISE THE TREATY, AND WE DO NOT EXPECT MAJOR OBSTACLES TO DERAIL ITS REVISION AND APPROVAL WITHIN THE NEAR FUTURE. END QUOTE.

3. FIFTH QUESTION APPEARS TO REFER TO ECONOMIC TREATY BUT ANSWER IS AMBIGUOUS. TEXT FOLLOWS: BEGIN QUOTE:

TJ: IT IS RECALLED THAT IN SEPTEMBER LAST YEAR YOU WERE OPTIMISTIC ABOUT AN AGREEMENT WITH THE US BEING REACHED BY THE END OF 1977. WHAT BROUGHT ABOUT THE CHANGE IN THE TIMETABLE? AT THIS STAGE, HOW COULD YOU DESCRIBE RP-US RELATIONS:

FM: CERTAIN DOMESTIC PREOCCUPATIONS ON BOTH SIDES HAVE CERTAINLY SLOWED DOWN THE PACE OF OUR NEGOTIATIONS, BUT WHILE WE DESIRE AN EARLY CONCLUSION OF THE TALKS, WE DO

NOT WANT TO SACRIFICE SUBSTANCE FOR SPEED. WE ARE IN A
PERIOD OF MUTUAL EXPLORATION, OF TRYING TO DISCOVER HOW
AN OLD AND HISTORIC RELATIONSHIP CAN CONTINUE TO OFFER TO
BOTH THE US AND THE PHILIPPINES NEW SOURCES OF GROWTH AND
DYNAMISM TO CONTRIBUTE TO PROSPERITY AND PEACE IN THE
WORLD. END QUOTE. MURPHY

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